

FACT SHEET

FEE PROPOSAL FOR AGRICULTURAL WAIVERS

Why is the State Water Board proposing to establish fees for agricultural waivers?

There is a legislative mandate for the State Water Board to do so. In 1999, the state legislature amended California Water Code section 13269. This amendment required the Regional Water Boards to review the conditions of their waivers of waste discharge requirements and to either renew the waivers or replace them with waste discharge requirements. The amendment also required enforcement of conditions in waivers and the re-adoption of waivers every five years. In 2003, California Water Code section 13269 was again amended. The second amendment authorized the State Board to establish fees for waivers. The fiscal year 2004-2005 state budget included 22 positions for implementing waivers and specified that the funding for the positions would come from new fees to be established for waivers.

How much money is the State Water Board authorized to collect?

The State Water Board is authorized to collect \$1.9 million annually.

How will the money be used?

The money will be used to fund 22 positions to implement agricultural waivers. Tasks State and Regional Water Board staff will perform include grower assistance and education, review of waiver applications, review of monitoring reports, environmental and water quality assessment, inspection, evaluation of management practices, enforcement, coordination with other agencies, renewal of waivers and information management.

What factors does the California Water Code require the State Water Board to consider when establishing fees for agricultural waivers?

When establishing fees for agricultural waivers, California Water Code section 13269(a)(4)(C) requires the State Water Board to consider the following relevant factors:

- (i) The size of the operations.
- (ii) Any compliance costs borne by the operations pursuant to state and federal water quality regulations.
- (iii) Any costs associated with water quality monitoring performed or funded by the operations.

(iv) Participation in a watershed management program approved by the applicable Regional Board.

What type of fee schedule is the State Water Board staff proposing?

The State Water Board staff is proposing a three-tier, acreage-based fee schedule for agricultural waivers.

STAFF PROPOSAL

- Fee based on the number of acres with a three-tier system. The three tiers are:
 1. Coalition groups that collect fees
 2. Members of coalition groups where the group does not collect fees
 3. Individual growers
- Total fee includes a base fee and a per acre fee;
- A coalition that collects fees will pay the lowest per acre fee;
- Individuals in coalitions that do not collect fees will pay a lower per acre fee than an individual not in a coalition;
- Everyone receiving a bill will pay the base fee;
- If the coalition pays the bill it will be charged only one base fee;
- The fees will be designed to collect \$1.9 million.

Are there other fee schedule proposals?

Yes. In the Central Valley, the Sacramento Valley Water Quality Coalition and the California Rice Commission are proposing a fee based on specific PY allocations to implement waiver requirements.

Parties subject to waivers in the Central Coast Region are considering developing a separate fee proposal, but no information has been submitted at this time.

CENTRAL VALLEY COALITION PROPOSAL

This proposal is similar to the State Water Board staff proposal, but it includes the option of individually negotiated agreements between the State Water Board and each coalition. The fees to be collected under this proposal will be less than the authorized amount.

What is the amount of the fees?

STAFF PROPOSAL

For coalitions or groups that collect fees from their participating growers, the fee is \$100 per coalition or group, plus \$0.12 per acre. For coalitions or groups that do not collect fees, each participating grower will pay a base fee of \$100, plus \$0.20 per acre. For individual growers, the proposal includes a base fee of \$100, plus \$0.30 per acre. The fee schedule takes into account the size of farm operations and includes a cost reduction for participation in a coalition. This proposal is designed to collect \$1.9 million.

CENTRAL VALLEY COALITION PROPOSAL

The Sacramento Valley Water Quality Coalition and the California Rice Commission propose to jointly fund one position at the Regional Board and one position in the County Agricultural Commissioner's office. Other coalitions and individuals would be assessed fees pursuant to the staff proposal at this time. Other coalitions may propose individual funding arrangements at a future date. This proposal will not collect the authorized amount, and the expected collection cannot be estimated because the number of parties that will request negotiated agreements is unknown.